

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2010-161-E - ORDER NO. 2010-455

JULY 27, 2010

IN RE: Application of Carolina Power & Light) ORDER
Company d/b/a Progress Energy Carolinas,) PROVISIONALLY
Inc. for Approval of Its Demand-Side) APPROVING DSM/EE
Management and Energy Efficiency Rider) COST RECOVERY
DSM/EE-1) RIDER

This matter comes before the Public Service Commission of South Carolina ("Commission") on an application filed by Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. ("PEC") to revise its Rider DSM/EE for recovery of the costs, net lost revenues, and incentives associated with PEC's demand-side management and energy efficiency ("DSM/EE") programs as allowed by Order No. 2009-373 in Docket No. 2008-251-E. PEC requests that its revised Rider DSM/EE-2, which is considered experimental, become effective on July 1, 2010, to recover costs from the prior test periods of September 1, 2007 through March 31, 2010, and for the rate period of July 1, 2010 through June 30, 2011. In order to provide sufficient time to complete a review of Rider DSM/EE-2, the Office of Regulatory Staff ("ORS") requests that the Commission approve its implementation on a provisional basis.

Additionally, ORS recommends that Rider DSM/EE-2 be subject to refund with interest at the statutory rate if PEC's recoverable DSM/EE costs are less than those upon

which Rider DSM/EE-2 is based.¹ In such an occurrence, ORS proposes that PEC implement a revised Rider based upon the Commission approved reduced recoverable DSM/EE costs, beginning with the first day of the calendar month 30 days following the Commission's decision, further reduced by the amount PEC over collected, with interest, between July 1, 2009 and the effective date of the revised Rider.

PEC's total test period and rate period costs at issue in this proceeding are \$16,029,284. The revenue requirement associated with these costs to be recovered via the revised Rider DSM/EE-2 is \$5,521,163. The resulting rates are: Residential Service 0.177 cents per kWh; General Service 0.096 cents per kWh; and Lighting Service 0.000 cents per kWh.

Since Rider DSM/EE-2 is considered experimental, we find that a hearing is unnecessary in this matter under S.C. Code Ann. § 58-27-870(F) (Supp. 2009). We also find that ORS's recommendations concerning implementation of Rider DSM/EE-2 are in the public interest.

IT IS THEREFORE ORDERED:

1. Rider DSM/EE-2 is provisionally approved to become effective on July 1, 2010 for the recovery of costs from the prior test periods of September 1, 2007 through March 31, 2010 and for the rate period of July 1, 2010 through June 30, 2011.

2. Rider DSM/EE-2 shall be subject to refund with interest, applied to rates on a forward going basis, if PEC's recoverable DSM/EE costs are less than those upon which Rider DSM/EE-2 is based.

¹ In the event of a refund, it would be applied to rates on a forward going basis at the next adjustment period in July 2011.

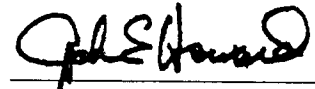
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3. If an over collection occurs, a true-up shall occur during the next adjustment period in 2011.

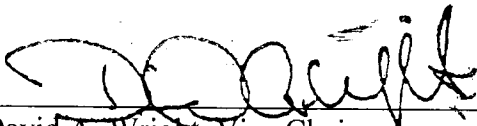
4. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



John E. Howard, Chairman

ATTEST:



David A. Wright, Vice Chairman

(SEAL)